

jetBlue 2020TH

JFK Airport Committee of NYCAR

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JetBlue Government & Airport Affairs

Industry Overview

“A rainy day? The industry is facing a flood of biblical proportions.” - JPM analyst Jamie Baker (March 22)

- For Airlines for America (A4A) passenger carriers, total operating revenues fell 92 percent YOY in April
- In the week ending May 24:
 - A4A airlines carried 89% fewer passengers year over year and operated 82 percent less capacity
 - A4A airlines averaged 47 passengers per domestic flight and 43 passengers per international flight
 - 61% of A4A airline flights were less than half full; 13% of A4A airline flights were at least 70% full
- As of May 24, net bookings are down 85% year over year; net booked revenues are down 94%
- TSA (U.S. and foreign flag) traveler throughput for May 25-31 \approx 305K per day, versus \sim 2.3M a year ago
- In 2Q 2020, U.S. airlines are collectively burning an estimated \$6.5-7.5 billion of cash per month

Industry Overview

Airlines have taken a variety of self-help measures to bolster liquidity:

- Tapping outside sources of cash by issuing debt (unsecured or secured), selling stock or conducting sale-leaseback transactions; since Feb. 26, passenger airlines have raised over \$33B, cargo airlines \$8B.
- Rescinding all planned issuance of dividends or stock repurchases and halted non-critical capital projects and aircraft deliveries to the extent negotiable with manufacturers).
- Grounding close to 3,000 aircraft (49% of the year-end 2019 fleet) as of May 31.
- Halting almost all discretionary (not operationally critical) capital projects.
- Securing voluntary unpaid leaves of absence or pay reductions, trimming unprofitable flying, redeploying passenger aircraft to provide essential cargo-only service to transport medical supplies, etc.
- Negotiating with vendors and airport partners to secure relief on payment terms/timing.



Industry Overview

CARES Act (enacted 3/27/2020) Payroll Support Program (PSP) and Other Financial Relief:

- U.S. Treasury issued close to \$25B in payroll support (\$18B grants + \$7B loans) to U.S. passenger carriers.
 - A4A member airlines' portion = \$21.7B (\$15.4B grants + \$6.3B loans), subject to \$640M in warrants.
 - By avoiding 85% airline furloughs, PSP saved ~736K U.S. jobs (incl. 386K airline FTEs) through 9/30/2020.
 - As enforced by DOT, the Act requires airlines to incur ~\$5B of unprofitable flying during the grant period.
- U.S. Treasury *may* also award up to \$25B in passenger carrier loans and \$8B in cargo carrier grants and loans.
- The CARES Act (H.R. 748 aka P.L. 116-136) suspended AATF ticket/waybill/fuel taxes from 3/28/20-12/31-20.
- FAA awarded \$10B in grants to U.S. airports.

Industry Overview

The long road ahead:

- Passenger volumes took 3 years to recover from 9/11 and 7+ years from the global financial crisis. Cargo took 10 years. Air transport demand has never experienced a V-shaped recovery from a downturn.
- Businesses first cut back hiring and travel and entertainment (T&E).
- People will be reluctant to travel – or even to book travel – until there is a strong degree of confidence that the health crisis and associated risks are behind us.
- Businesses and consumers are facing a sharp global economic downturn of unknown duration.
- Once demand has recovered, it will take years for airlines to retire the newly accumulated billions of dollars of debt and to address the sizable associated interest expense, limiting their wherewithal to reinvest.

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JetBlue Response

Safety from The Ground Up

Health & Safety of our Customers and Crewmembers is #1

Safety from the Ground Up is a comprehensive health and safety plan that provides layers of proactive measures throughout the travel journey from the airport terminal (the ground) up into the air (inflight)

- **Healthy crewmembers.**
 - Conducting temperature checks for our pilots and *inflight* crewmembers (rolling out first week in June)
 - Providing paid sick leave and additional time off programs so crewmembers do not come to work sick
 - Providing disinfectant kits for pilot use on the flight deck
 - Requiring face coverings for all crewmembers while boarding, in flight, and when physical distancing cannot be maintained
- **Clean air and surfaces.**
 - More frequent disinfecting of common surfaces like kiosks and counters inside our airport terminals.
 - Providing hand sanitizer throughout terminals and disinfectant wipes to Customers on board upon request
 - Increasing aircraft cleaning before every flight and overnight, including surfaces that are touched most like tray tables.
 - Using electrostatic sprayers to fog the inside of our aircraft (rolling out soon)
 - Filtering cabin air through hospital-grade HEPA air filters with cabin air completely changing about every three minutes.

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- **More space, fewer touchpoints.**
 - Blocking middle seats on larger aircraft and aisle seats on smaller aircraft for those not traveling together (at least through July 6)
 - Requiring face coverings for all Customers during check-in, boarding and inflight
 - Providing the most legroom in coach of any U.S. airline* and spacious seating on all aircraft
 - Providing touchless check-in and boarding experiences using the JetBlue mobile app and self-boarding gates for many of our flights
 - Implementing a back-to-front boarding process for most Customers to minimize passing in the aisle
 - Adjusting on board service including pre-sealed snack and beverage bags in Core, and pre-packaged fresh meals in Mint
 - Using your personal device as a remote for seatback screens on select planes
- **Travel flexibility.**
 - Waiving change and cancel fees for confidence when booking
 - Extending Travel Bank credit expirations to a 24-month period
 - Providing 24/7 support and award-winning customer service

Safety from The Ground Up

Overview of Social Distancing efforts at T5

- Customer face covering requirement for all phases of travel on JetBlue (First airline to require, launched 5/4)
- Social distancing floor markers for use in gate areas, jetbridges and check-in area. (First shipment expected by 5/17)
- Revised boarding process to create additional spacing in the gate area and on the jetbridges (Launches 5/15)
- Initial order of 116 “sneeze guards” ordered for Crewmember to Customer separation at gates and ticket counters (Order placed 5/8, currently being manufactured)
- Temporary revision to TSA security queue that creates 6’ separation and buffer lanes (pending TSA approval)
- Additional TSA security queue revisions including the use of taller barriers and floor markings to allow greater efficiency (pending TSA approval, sourcing of panels and fire marshal review)
- Additional spacing and seat block decals in hold rooms & lobbies to maintain social distance in all seating areas (pending final design and production)
- Developing a “PPE kiosk” to provide Customers with small kits including hand sanitizer, disinfectant wipes and a mask placed throughout the terminal for use.

Logo placement to prevent misuse

English/Spanish suite



5 x 5" Actual Size

White text/graphics background match to PMS 2184

Different flooring applications, dark/light



6' Showing with scale distance Dots should be alternated as placed



WORKING DRAFT



jetBlue	Social Distancing Floor Dots	
PRODUCT DEVELOPMENT	DATE	4/30/20
	REVISION	V2

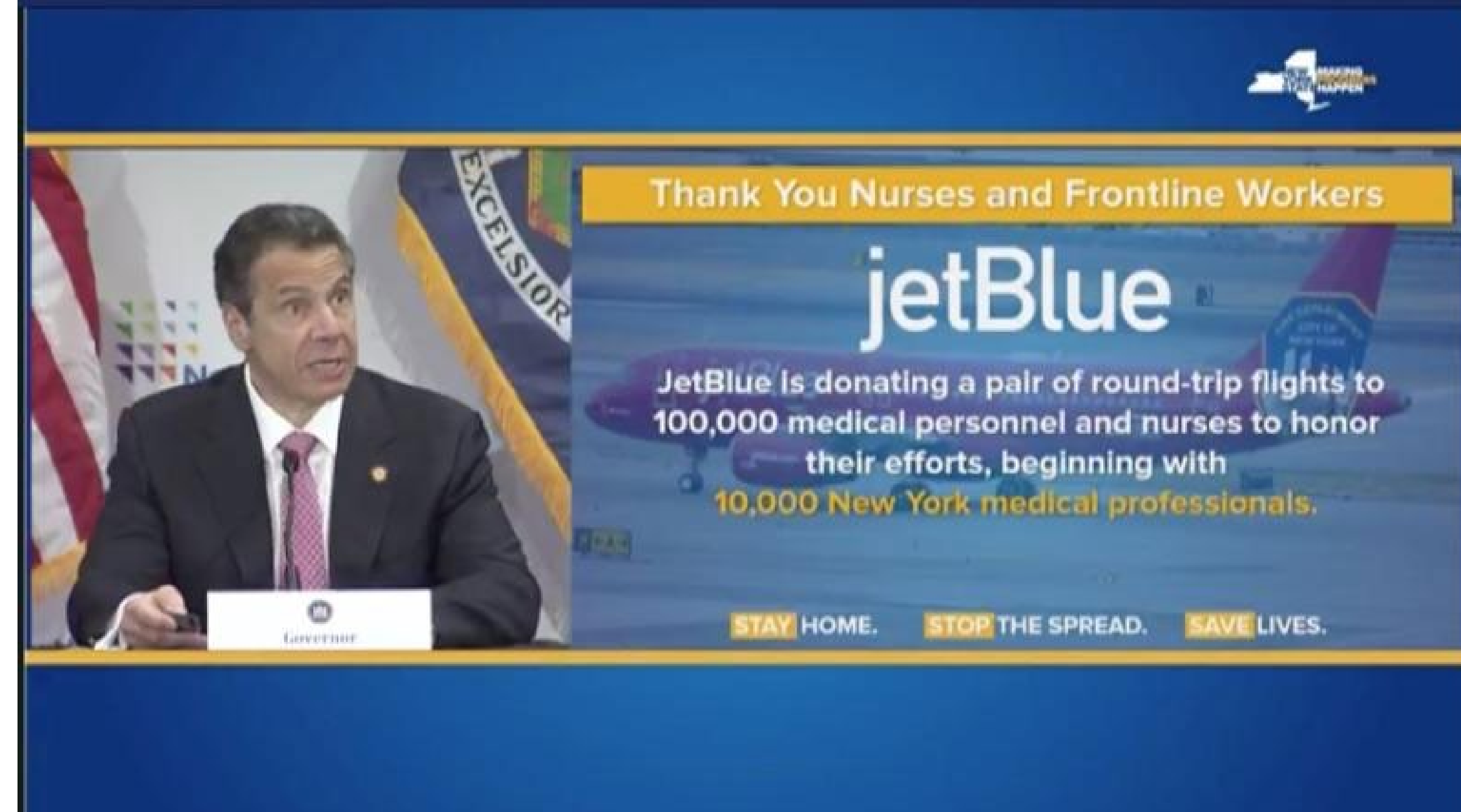
Calling for Global Standards

Health & Safety of our Customers and Crewmembers is #1:

- We continue to work with our industry partners, including the TSA, Department of Homeland Security, and Airlines for America, as we believe the nation's air travelers should have a standard screening process and experience across carriers and airports
- Similar to 9/11, we believe that there should be a uniform response and approach to screening and risk mitigation prior to Customers boarding

Doing Right by Crewmembers, Customers & Community

- First to implement Customer face coverings, and among the first to waive change and cancellation fees
- With Mercury Medical, donated 2,500 disposable CPAP devices to New York State to help in the region's fight against coronavirus
- Free flights to NYC for nearly 2,000 medical professionals to help in relief efforts
- Donated 1 million TrueBlue points to The American Red Cross
Donated 7,500 books to kids in need
- With the Ricky Martin Foundation, Project HOPE and Charity Stars, transported 19,000 N95 masks from New York's JFK Airport (JFK) to Luis Muñoz Marin International Airport in San Juan (SJU)
- Partnered with Cross Country Healthcare, Inc. to provide free flights to healthcare providers traveling to New York to help fight the COVID-19 crisis



Thank you.